

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**June 20, 2018**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR AN**  
**EXEMPT FACILITY PROJECT**

*Prepared by: Richard Fischer*

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**Applicant:** California Pollution Control Financing Authority

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**Allocation Amount Requested:** \$5,615,000

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**Project Information:**

**Name:** Metropolitan Recycling, LLC  
2601 South Mt. Vernon; 1808 Roberts Lane; 1700 Lisle Street;  
**Project Address:** 8665 S. Union Avenue; 9930 Brimball Road; 2620 S. Union  
Avenue; 4033 Oregon Street  
**Project City, County, Zip Code:** Bakersfield, Kern 93302;06;07;08;12

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**Project Sponsor Information:**

**Name:** Metropolitan Recycling, LLC  
**Address:** 2601 South Mt. Vernon  
Bakersfield, CA 93302  
**Principals:** Skeet Varner Family Trust, Skeet Varner Marital Trust,  
Michael Varner Trust, Jaime Andrews Trust, Jacob Panero  
Trust, Amy Feldman Trust and Lisa Mann Trust; Walt Price,  
Wanda England, Jay Price, Jon Price; Jack D. Keown and Mary  
Ann Keown Amended and Restated Trust Agreement; Vint D.  
Varner; Stephen S. Sewell and Nancy A. Sewell  
**Contact:** Larry Moxley, Chief Executive Officer  
**Phone:** (661) 979-5790

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**Project Financing Information:**

**Bond Counsel:** Law Offices of Leslie M. Lava  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Wells Fargo Bank, N.A.  
**Bond Rating:** Not applicable  
**TEFRA Hearing Date & Adoption Date:** May 10, 2018

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**Project Sponsor's Principal Activity:**

According to the Applicant, they are actively participating in waste collection, recycling and disposal throughout Bakersfield, California.

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**First Tier Business (Yes/No):** Yes

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**Regulatory Mandate (Yes/No):** Yes

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**Comments :**

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**Details of Transaction:**

**Sources of Funds:**

|                          |    |            |
|--------------------------|----|------------|
| Tax-Exempt Bond Proceeds | \$ | 5,615,000  |
| Refunding Note Proceeds  | \$ | 9,000,000  |
| Other Sources            | \$ | 195,240    |
| Total Sources            | \$ | 14,810,240 |

**Uses of Funds:**

|   |    |            |
|---|----|------------|
| New Equipment Purchase & Installation       | \$ | 5,502,700  |
| Bond Issuance Expenses (including discount) | \$ | 307,540    |
| Refunding Note Amount                       | \$ | 9,000,000  |
| Total Uses                                  | \$ | 14,810,240 |

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**Description of Proposed Project:**

The Project Sponsor and its Members have indicated that the funds will be used for the acquisition of trucks and other equipment housed at their respective locations.

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**Environmental Impact:**

- 1) Air Quality:  
Continued Compressed Natural Gas (CNG) fueled waste collection equipment purchases.
- 2) Water Quality:  
Equipment purchase will contribute to the minimization of particulate matter.
- 3) Energy Efficiency:  
The purchasing of CNG equipment reduces the dependency upon gas and diesel.
- 4) Recycling of Commodities:  
None indicated.
- 5) Safety and Compliance:  
Metropolitan Recycling, LLC is and will continue to be in compliance with all state and federal regulations.
- 6) Consumer Costs Savings and Efficiencies:  
The Project Sponsor states that by purchasing equipment that burns cleaner and cheaper fuel which minimizes any future rate increases.

**Local Government Support:**

Metropolitan Recycling has received a letter of support from the Assistant Director of Kern County Public Works Department.

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**Legal Questionnaire:**

No information was disclosed that raised any question regarding the financial viability or legal integrity of the Project Sponsor.

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**Recommendation:**

Staff recommends that the Committee approve \$5,615,000 in tax exempt bond allocation.